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CENTRAL INTELLIGENCE AGENCY

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SOURCE Hong Kong Shih-pao.

RUMORS CCP PLANS TO ABANDON EAST, CENTRAL AND SOUTH,
OUTLINES MEASURES TO CONSOLIDATE OTHER AREAS

Canton -- According to a very reliable source, it is said that the CCP Central Committee recently adopted a resolution to abandon /the idea of defending/ East, Central, and South China and concentrate on consolidating control of North, West, and Northwest China. The main reason for this move, the source reported, is because the Chinese Communists have not been able to win over the support of the people in the newly liberated areas of these districts, and as a result, the CCP leaders are skeptical as to whether the Chinese Communist forces would be able to defend themselves against any counteroffensive that the KMT forces may launch on the Chinese mainland. In the event of such a development, they feel that it would greatly demoralize the troops and would lead to the rapid collapse of the CCP regime.

It is further reported that the Chinese Communists have adopted a new plan. Measures to be instituted under this new plan, which is scheduled to be completed within a 6-month period, are as follows:

Political

1. Expand and speed up cadre training.
2. Expand the jurisdictional areas of both administrative districts and ch'u (1) /numbers refer to appended characters/, the former by merging hsien and the latter by merging hsiang (2).
3. Obtain all precious metals being held by the people in the Communist-controlled areas by sending out cadres to purchase them secretly from the people.
4. Revise the methods of organizing and training the people; develop a strong basic organization; and raise the working efficiency of all members.
5. Increase the authority of local governments; insure collection of local taxes; carry out a policy of local self-sufficiency to discourage the idea of depending on the Central government for aid; and abolish all unnecessary government agencies.

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6. Select carefully all administrative officials to be assigned to hsiangs to establish harmonious relationships between the government and the people and to win the confidence of the people toward the government.

7. Enforce the policy of obtaining local personnel for local governments to carry out the principle of local self-rule.

8. Enforce the principle of "being lenient toward the people but imposing strict and severe penalties against government officials for violations" to win the confidence of the people.

9. Expand and set up training agencies throughout China and gradually close down schools which are not in line with government policies; set up classes in the villages to teach Chinese characters, and training squads (hsun-lien-pan) in the cities, thereby gradually replacing the various schools.

10. Promote the feeling of patriotism of the people toward their native villages or cities.

Military

1. Carry out the principle of self-criticism to overcome the overconfident attitude and laxity among the troops, and to expand the cadre training program.

2. Enlarge the military strength to 5.6 million men, increasing the army to 5 million and the navy, air, armed, and other service and technical personnel to 600,000.

3. Encourage military forces to participate in production activities to make them self-sufficient.

4. Expand the education program among the troops to raise their intellectual standard.

5. Adopt plans for organizing East, Central and South China into a guerrilla district and North, West, and Northwest China into a pacification district in preparation for any eventuality, and improve technical skills to destroy all anti-Communist elements.

6. Correct existing frictions between the various armies, army groups, etc., to create one united army.

7. Establish harmonious relationships between the military forces and the civilians to form a united front.

8. Firmly establish an investigative system to correct or check any evil practices or tendencies.

9. Adopt a system of centralization of authority, such as giving an officer in charge of military affairs power to handle all matters pertaining to military affairs, etc.

10. Insure that harmonious relationships exist between the local government officials and the military authorities in carrying out government administrative functions.

Economic

1. Develop an agrarian economy; require military forces to be sent out to rural villages to aid in cultivating fields.

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2. Open up or improve public roads between the various localities and to increase the flow of commodities between the various localities.
3. Carry out the principle of reducing imports and increasing exports to become completely self-sufficient and increase productive power.
4. Increase cooperatives throughout China and set up adequate marketing networks; also, promote exchange of commodities between the various areas to meet local demands.
5. Abolish oppressive regulations, laws, etc., to help the villages regain economic equilibrium.
6. Corner all foreign currencies in the cities but encourage and aid the people in promoting exports.
7. Develop public enterprises.
8. Increase control over factories and expedite industrialization of the whole country.

CHARACTERS

1. 区
2. 鄉

- E N D -

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